(d) if so, the details of the possible pay out?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANT GANGARAM GEETE): (a) and (b) UTI has intimated that it has borrowed from banks to meet liquidity requirements, the details of which are as under:

Bank borrowings by UTI as on 30th June, 2002

(Rs. crs.)

Name of Bank	Amount Utilised
State Bank of India	1000
Union Bank of India	300
Syndicate Bank	300
Bank of Baroda	300
Corporation Bank	525
Consortium of 11 Banks led by SBI	700
TOTAL:	3125

(c) and (d) According to UTI, there is no redemption pressure in the current accounting year beginning July, 2002, since no scheme matured during the said period. Repurchases under all schemes, since July 1, 2002 to July 18, 2002 aggregated to Rs. 318 crore only.

Sharing of Service Tax with State Governments

647. SHRI JANARDHANA POOJARY: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether it is a fact that several committees and commissions have recommended that no distinction should be made between goods and services for the purpose of taxation;

(b) whether it is a fact that State Governments have been urging the Central Government to amend the Constitution to enable the State Governments to impose tax on services;

(c) if so, what are the details thereof and what is Government's reaction thereto; and

(d) whether there is any proposal to share service tax with the State Governments pending amendment to the Commission?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI GINGEE N. RAMACHANDRAN): (a) Yes, Sir.

(b) to (d) In the Conference of Chief Ministers held in June, 2000 and July, 2001, the States had suggested that they should be allowed to levy tax on services to widen their tax base. A committee of Finance Ministry Officials and some State Finance Secretaries was constituted to look into this suggestion. The Committee's report which was submitted in December 2001, is under examination.

Trade Defict

648. SHRI K. NATWAR SINGH: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether according to Centre for Monitoring Indian Economy, India's trade deficit is likely to touch $15.4 billion during 2002-03;

(b) if so, whether in its latest review of the Indian economy, CMIE has pointed out that on payments basis the trade deficit would be higher because defence spending was likely to increase during the year;

(c) if so, what are the other conclusions made by the CMIE; and

(d) the steps suggested in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANT GANGARAM GEETE): (a) and (b) Yes, Sir. The Centre for Monitoring Indian Economy (CMIE), in its latest monthly rview of Indian economy (June 2002) has projected a likely rise in trade deficit to $15.4 billion during 2002-03 as against the $12.5 billion (estimated) in 2001-02. Higher defence spending has been suggested as one of the reasons for such a likely rise in trade deficit.

(c) The review concludes that political and military posturings by India and Pakistan have vitiated the economic environment in the subcontinent thus affecting the investment climate in the region. Such political billegerence may affect adversely trade and investment in India, thus impacting upon broad economic parameters like the Gross Domestic Product, Current Account Deficit and Gross Fiscal Deficit.